

PMO steps in to defuse BSNL, MTNL pay crisis

Junks Niti Aayog's revival plan for the two crisis-hit firms; Asks finance ministry to work out a long-term solution

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IN a bid to avoid negative sentiments in the election season, the Centre has asked the finance ministry to ensure that the employees of state-owned Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited are paid on time.

The move comes amid reports that BSNL had failed to pay the February salaries to its 1.76 lakh employees due to an ongoing financial crisis.

BSNL's monthly salary bill is estimated to be around ₹850 crore. According to reports, around 55 per cent of the telco's revenues go towards paying salaries. The situation is likely to turn from bad to worse because the wage bill continues to swell at the rate of eight per cent per annum, but the revenues remain stagnant.



WHAT'S AT STAKE

BSNL	MTNL
No of employees	No of employees
1.76 lakh	22,000
Monthly salary expenses	Monthly salary expenses
₹850 crore	₹175 crore

The situation is similar for employees of MTNL, which mainly operates in Mumbai and Delhi, whose monthly wage bill is estimated at ₹175 crore.

While the finance ministry has now released funds for February, arranging salary for the coming months would be a mammoth task for the management.

"The Niti Aayog was asked to work on the revival plan of BSNL. So far, they have not been able to deliver a concrete plan.

Also, their divestment plan did not go down well with many officials in the PMO, who felt it was neither people-friendly nor business-friendly," a senior official in the PMO told *TNIE*.

The PMO has now asked the finance Ministry to work out a package for the two firms, the official added.

"BSNL is a bigger problem. There are two proposals. One is to infuse a package of ₹13,000 crore and the second is to keep on giving salary support till June and to leave it to the fresh office to decide on it. However, the instruction is to ensure salary so that no political issue is created out of it," said another official from the finance ministry.

While there has been a delay in payment of salary in March, this is the first time the company has defaulted in payment of its monthly salaries.

Once Navratna, the fully government-owned corporation is undergoing a major cash crunch due to the fierce competition in the telecom sector.

While some officials blame Reliance Jio for BSNL's woes, others say that the BSNL management signed an unwise agreement with Jio.

"After this agreement, Jio can use BSNL towers but BSNL can't use Jio's," a senior BSNL official said.

According to this official, the ministry is working on a long-term plan to address the issue. "The employees' union has also written to minister Manoj Sinha asking for funds to be released," he added.

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While other players in liquidity crisis triggered services firm Centrum Group. However, liquidity will executive chairman, Ce

Markets are bu again, and rupee is strong. But have changed on the gr say, since December Not much has chan equity markets, select are getting the exuber One change is that f funds have become m tive again. That may do with US interest r picking up. Also, mar optimistic that elect